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**Report Documents the High Cost of the
Disabled Veterans Tax on Los Angeles Veterans**

WASHINGTON — Rep. Henry A. Waxman, along with other members of the Los Angeles congressional delegation, today released a report detailing the impact of the Disabled Veterans Tax on Los Angeles veterans. This regressive tax affects more than 3,000 Los Angeles veterans, causing them to lose nearly \$15 million in veterans benefits annually.

“The Disabled Veterans Tax imposes an enormous cost on disabled veterans who have served their country,” said Rep. Waxman. “It is ironic that at the same time that the Administration is asking our troops in Iraq to make enormous sacrifices, it is ignoring the needs of veterans at home.”

The Disabled Veterans Tax is a 100% tax on disability compensation for hundreds of thousands of disabled veterans. Under this provision, the “concurrent receipt” of military retirement benefits through the Department of Defense and disability benefits through the Department of Veteran’s Affairs is prohibited. If a disabled veteran is entitled to both of these benefits, the veteran’s military retirement benefit is reduced on a dollar-for-dollar basis by the amount of the disability compensation benefit.

The report finds that:

- There are 188,642 veterans in California who receive military retirement benefits. Of these veterans, 53,215 veterans — 28% — also receive disability benefits from the VA and are subject to the Disabled Veterans Tax.
- In Los Angeles, there are 16,401 veterans who receive military retirement benefits. Of these veterans, 3,149 — about 20% — also receive disability benefits from the VA and are subject to the Disabled Veterans Tax.
- In Los Angeles, the Disabled Veterans Tax costs veterans \$1.2 million each month in lost disability benefits. This is equivalent to \$14.7 million annually.
- On a per-veteran basis, the Disabled Veterans Tax costs each Los Angeles veteran an average of \$4,700 annually.

The report was prepared by the Special Investigations Division of the Minority Staff of the House Government Reform Committee. The complete report can be found at www.house.gov/reform/min.